GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:916
ANSWERED ON:06.03.2007
SICK JUTE MILLS
Ramadass Prof. M

Will the Minister of TEXTILES be pleased to state:

(a) the number of sick jute mills referred to BIFR;

(b) whether these mills are eligible to avail assistance under the Technology Upgradation Fund Scheme;

(c) if not, the reasons therefore;

(d) the details of JMDC incentive scheme for modernization of jute industry; and

(e) the number of mills availed benefits under this scheme?

Answer

MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN)

(a): At present there are 36 Sick Jute Mills, out of which 31 Mills have been referred to Board of Industrial and Financial Reconstruction (BIFR).

(b)&(c): No, Sir. As per the guidelines of the Technology Upgradation Fund Scheme (TUFS), a Mill is required to have healthy financial background for seeking assistance under the TUFS and therefore, a Sick Jute Mill referred to BIFR is not entitled to get any financial assistance under this scheme.

(d): JMDC Incentive Scheme for Modernisation of the Jute Industry came into effect from 8th July, 2002 to facilitate modernization and Upgradation of technology in existing jute mills, introducing new modernized technology in new mills in jute growing areas having inadequate jute processing facilities and establishing of new mills located in non-jute growing areas. The scheme is aimed at facilitating capital investment for Upgradation and/or modernizing technology in jute industry and for setting up new jute mills by providing 15% / 20% incentive on the amount invested either from own sources or bank financing. The Scheme which was initially effective for three years was subsequently extended for a further period of three years beyond 7th July 2005 or till the commencement of Jute Technology Mission, whichever is earlier.

(e): The total no. of mills benefited under this Scheme is 47 upto 1st March, 2007.